

CENTRAL INTELLIGENCE AGENCY

COUNTRY China

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SUBJECT Present Status of Cotton Mill Owners' Association  
and Woollen Mill Owners' Association

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THIS IS UNEVALUATED INFORMATION

1. There were three Cotton Mill Owners' Associations in China known as the East China, North China and South China Associations. Of the three the East China Association was the most important. It was older, larger, better organized, and carried the most weight with the government. Territorially it covered the three provinces of Kiangsu, Chekiang and Anhui; [redacted]
2. Prior to the outbreak of fighting between China and Japan [1937] the East China Cotton Mill Owners' Association not only collected statistics of common interest to mill operators, but represented them in negotiations with the government on tax matters. This was its most important function. During the Japanese occupation of East China [1938-45] the Association was dormant but was revived at the end of hostilities [1945]. It did not regain its former position, however, because the Nationalist government had fallen heir to the ex-Japanese mills. [redacted] These formed a large block in the membership which set the policy of the Association; the private mills found it expedient to follow the lead of the government mills. As a result the Association ceased to perform its most important function, although it still collected statistics and performed other minor functions.
3. Under the Communists [1949-date] the Association still exists but is of little importance. The Communist government not only took over the former Nationalist government mills, but acquired outright some of the privately owned mills, and exercises effective control over the rest. Under these circumstances the Association has lost entirely its independent status. It is not even in a position to collect or publish statistics. This is a function of the Cotton Control Board [redacted] - which acquires raw cotton and allocates it to the mills.

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- 25X1 4. The Shanghai Woollen Mill Owners' Association was never of much importance. There were only about a dozen mills in Shanghai producing woollen goods, and several of these were minor departments of large cotton mills. The Association was not well organized and performed no important functions.
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